

HMC/CAH
Consolidating Balance Sheet
April 30, 2012

	WCH	Oswego	Horton	Hillsboro	Prague	I-70	Drumright	Selling	Fairfax	Lauderdale	Yadkin Valley	Haskell	HMC	Eliminations
ASSETS														
Current Assets:														
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0	0	0	1,757,627	
Accounts receivable	9,070,493	1,087,555	2,894,504	1,070,736	2,452,685	1,407,535	3,260,279	1,598,759	1,286,431	8,723,386	2,856,412	3,361,632	5,944,946	(5,117,777)
Less: Reserves for Uncollectible	(6,272,070)	(406,522)	(1,777,000)	(454,121)	(1,623,104)	(277,146)	(1,809,041)	(762,251)	(239,513)	(5,761,175)	(1,729,373)	(2,221,684)	0	
Home Office Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0	
Supplies	250,811	87,832	162,112	145,998	137,883	102,859	135,571	83,172	175,829	180,105	125,991	128,143	0	
Prepaid expenses	149,735	20,729	70,654	33,194	46,913	92,446	201,245	35,344	53,331	300,035	85,024	77,529	1,750,836	
Third-Party Settlement	925,753	151,955	675,865	252,062	312,483	281,473	195,688	43,214	162,926	531,345	607,036	848,321	175,000	
Other current assets	0	39,313	1,118	1,000		(46)	520,000	0	0	0	(1,426)	0	633	
Total Current Assets	4,124,722	980,862	2,027,253	1,048,869	1,326,860	1,607,122	2,503,742	998,238	1,439,004	3,973,696	1,943,663	2,193,941	9,629,041	(5,117,777)
Property & Equipment, at cost:														
Construction in Progress	887,311	2,428,366	648,404	659,941	60,967	0	0	9,200	0	118,332	91,249	0	0	
Land and improvements	429,072	133,450	221,342	16,800	215,000	252,638	460,000	105,000	0	127,359	0	0	10,000	
Buildings and improvements	2,756,091	324,121	1,285,853	343,451		9,359,104	9,858,902		92,131	3,514,904	0	0	8,950	
Equipment and fixtures	6,023,032	422,648	3,532,915	1,953,900	550,839	2,009,007	2,119,861	324,725	822,575	1,753,122	1,272,073	556,647	540,558	
Total PP&E	10,095,506	3,308,585	5,688,514	2,974,092	826,806	11,620,749	12,438,763	438,925	914,706	5,513,718	1,363,322	556,647	559,508	-
Less accumulated depreciation and amortization	(6,946,224)	(512,773)	(4,518,332)	(1,876,909)	(309,626)	(4,353,576)	(5,608,301)	(179,480)	(473,720)	(1,770,682)	(435,738)	(292,998)	(309,735)	
Net Property and Equipment	3,149,282	2,795,812	1,170,181	1,097,183	517,180	7,267,173	6,830,462	259,445	440,986	3,743,035	927,584	263,649	249,773	0
Other Assets:														
Investments													3,437,300	(3,437,300)
Goodwill		0	0	255,609	36,589	2,210,166	131,226	0	537,905	0	1,353,907	1,238,125	0	
Restricted Cash	0	0	0	0	0	73	797,053	0	0	0	0	0	0	
Other	(15,000)	0	0	0	30,835	203,671	0	0		91,738	(1,841)	0	283,062	
	(15,000)	0	0	255,609	67,424	2,413,910	928,279	0	537,905	91,738	1,352,066	1,238,125	3,720,362	(3,437,300)
Total Assets	\$ 7,259,004	\$ 3,776,674	\$ 3,197,434	\$ 2,401,661	\$ 1,911,464	\$ 11,288,205	\$ 10,262,483	\$ 1,257,683	\$ 2,417,895	\$ 7,808,469	\$ 4,223,313	\$ 3,695,715	\$ 13,599,177	\$ (8,555,077)
LIABILITIES														
Current Liabilities:														
Current maturities of LTD	437,121	426,283	107,110	179,491	70,433	583,407	428,938	271,503	542,525	357,751	180,637	140,476	1,115,184	
Accounts payable	2,938,093	1,092,047	1,229,557	988,486	686,908	1,362,566	1,500,087	1,159,100	1,205,357	2,183,938	2,804,288	2,182,374	1,089,206	(5,107,977)
Due/(From) HMC	(567,532)	(448,393)	(1,118,126)	(594,973)	(392,779)	(706,089)	(1,234,841)	(692,816)	(943,753)	(1,192,272)	1,742,822	1,721,023	4,427,729	
Accrued Interest			160	32,084	0	0	0	0	0	0	0	0	411,629	
Short-term Notes			0	0	0	0	(769)	0	(3,375)	0	148,517	0	6,893,323	
Accrued Liabilities	2,053,638	459,113	946,646	185,750	396,919	577,977	414,059	210,451	370,464	649,039	413,807	228,320	121,577	
Total Current Liabilities	4,861,320	1,529,050	1,165,346	790,838	761,481	1,817,862	1,107,474	948,238	1,171,218	1,998,457	5,290,071	4,272,193	14,058,648	(5,107,977)
Long-Term Debt (net current maturities)	2,283,846	3,535,858	150,172	631,579	429,468	9,649,046	6,955,666	468,444	797,236	3,545,923	358,502	45,054	13,126,305	
Stockholders' Equity:														
Members Equity	1,254,056	(295,364)	879,290	308,602	555,299	1,000,000	2,140,881	146,000	365,263	67,380		540,835	0	(6,962,243)
Preferred Stock													12,456,861	
Common Stock													320,162	
Retained Earnings	(1,403,317)	(806,484)	267,926	303,594	(687,670)	(970,595)	(837,479)	556,158	(433,405)	2,393,365	(845,110)	18,281	(23,296,950)	3,515,143
Net Income	263,099	(186,388)	734,700	367,048	852,887	(208,109)	895,941	(861,158)	517,583	(196,657)	(580,151)	(1,180,648)	(3,065,849)	
Total Stockholders' Equity	113,838	(1,288,235)	1,881,916	979,244	720,515	(178,703)	2,199,343	(159,000)	449,441	2,264,089	(1,425,261)	(621,532)	(13,585,775)	(3,447,100)
Total Liabilities and Stockholders Equity	7,259,004	3,776,673	3,197,435	2,401,661	1,911,464	11,288,205	10,262,483	1,257,683	2,417,895	7,808,469	4,223,313	3,695,715	13,599,177	(8,555,077)

HMC/CAH
Consolidating Balance Sheet
April 30, 2012

	4/30/12	3/31/12	Prior FYE
	Consolidated	Consolidated	Consolidated
ASSETS			
Current Assets:			
Cash and cash equivalents	1,757,627	\$ 2,027,692	\$ 1,751,444
Accounts receivable	39,897,575	42,038,323	43,006,521
Less: Reserves for Uncollectible	(23,333,001)	(24,637,644)	(24,002,705)
Home Office Settlement	0	0	0
Supplies	1,716,306	1,778,964	1,592,871
Prepaid expenses	2,917,016	2,933,787	1,982,430
Third-Party Settlement	5,163,121	5,542,688	647,409
Other current assets	560,592	37,269	25,746
Total Current Assets	28,679,236	29,721,079	25,003,715
Property & Equipment, at cost:			
Construction in Progress	4,903,770	4,854,176	5,001,343
Land and improvements	1,970,660	1,970,661	1,970,660
Buildings and improvements	27,543,507	27,519,507	27,276,995
Equipment and fixtures	21,881,903	21,788,299	20,758,220
Total PP&E	56,299,840	56,132,643	55,007,219
Less accumulated depreciation and amortization	(27,588,095)	(27,225,843)	(24,928,168)
Net Property and Equipment	28,711,745	28,906,800	30,079,050
Other Assets:			
Investments	0	0	0
Goodwill	5,763,527	5,763,527	5,763,527
Restricted Cash	797,126	797,126	797,126
Other	592,465	609,984	729,993
	7,153,118	7,170,637	7,290,646
Total Assets	\$ 64,544,099	\$ 65,798,517	\$ 62,373,412
LIABILITIES			
Current Liabilities:			
Current maturities of LTD	4,840,859	\$ 3,944,794	\$ 5,290,132
Accounts payable	15,314,031	15,336,018	12,374,292
Due(From) HMC	(0)	(0)	0
Accrued Interest	443,872	443,872	348,755
Short-term Notes	7,037,696	7,009,707	7,756,269
Accrued Liabilities	7,027,761	7,995,387	8,850,726
Total Current Liabilities	34,664,220	34,729,779	34,620,174
Long-Term Debt (net current maturities)	41,977,100	43,134,171	37,202,757
Stockholders' Equity:			
Members Equity	(1)	(1)	(1)
Preferred Stock	12,456,861	12,456,861	12,456,861
Common Stock	320,162	320,162	320,162
Retained Earnings	(22,226,541)	(22,226,541)	(19,249,225)
Net Income	(2,647,702)	(2,615,913)	(2,977,317)
Total Stockholders' Equity	(12,097,221)	(12,065,431)	(9,449,519)
Total Liabilities and Stockholders Equity	64,544,099	\$ 65,798,518	\$ 62,373,412

HMC/CAH Consolidated, Inc.
Consolidating Income Statement
For the Seven Months Ended April 30, 2012

	WCH	Oswego	Horton	Hillsboro	Prague	I-70	Drumright	Selling	Fairfax	Lauderdale	Yadkin Valley	Haskell	Consolidated Hospitals	Corporate		Consolidated Company
Patient Revenue:																
Inpatient Services	6,063,908	2,044,730	2,138,342	1,061,355	1,752,695	1,675,971	4,930,376	1,916,442	1,043,958	4,215,967	1,808,786	2,329,964	30,982,495	-		30,982,495
Outpatient Services	14,242,144	1,479,739	5,348,149	2,549,507	4,706,493	4,522,524	6,195,320	2,015,694	2,796,127	16,141,698	7,150,695	6,770,140	73,918,230	-		73,918,230
Clinic Services	671,552	358,122	461,643	226,200	842,561	420,609	560,447	412,576	141,396	187,281	845,637	29,133	5,157,156	-		5,157,156
Total Patient Revenue	20,977,604	3,882,591	7,948,134	3,837,062	7,301,749	6,619,104	11,686,143	4,344,712	3,981,481	20,544,946	9,805,117	9,129,237	110,057,880	-	-	110,057,880
Deductions From Revenue:																
Medicare Contractual	6,403,659	667,014	1,250,774	441,912	938,227	559,155	1,828,791	1,603,351	(2,859)	3,829,917	1,022,138	2,691,051	21,233,131	-		21,233,131
Other Contractual Adjustments	5,646,339	739,960	2,028,932	548,807	2,019,687	1,355,653	3,583,668	1,024,721	784,818	6,612,085	3,688,406	2,683,870	30,716,946	-		30,716,946
Provision for Bad Debts	1,823,736	84,751	344,546	126,129	447,318	521,802	927,508	352,682	220,332	2,620,148	720,701	923,576	9,113,229	-		9,113,229
Total Deductions From Revenue	13,873,734	1,491,725	3,624,251	1,116,849	3,405,232	2,436,610	6,339,968	2,980,754	1,002,291	13,062,150	5,431,245	6,298,497	61,063,306	-	-	61,063,306
Net Patient Services Revenue	7,103,870	2,390,866	4,323,882	2,720,213	3,896,517	4,182,494	5,346,176	1,363,958	2,979,190	7,482,797	4,373,872	2,830,740	48,994,574	-	-	48,994,574
Management Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2,791,338	(2,724,738)	66,600
Other Revenue	195,402	52,302	177,856	29,942	118,648	153,447	541,200	28,904	210,644	91,436	91,077	37,353	1,728,212	261,955		1,990,167
Total Operating Revenues	7,299,272	2,443,168	4,501,738	2,750,156	4,015,165	4,335,942	5,887,376	1,392,862	3,189,834	7,574,232	4,464,949	2,868,092	50,722,786	3,053,293	(2,724,738)	51,051,341
Operating Expenses:																
Salaries and Wages	3,061,238	1,246,228	1,931,485	1,060,445	1,725,505	1,891,405	2,330,700	1,113,959	1,366,846	3,376,013	2,459,896	1,994,617	23,558,338	2,075,628		25,633,966
Benefits	550,134	231,621	360,432	207,309	347,065	329,349	356,499	180,362	326,706	791,472	425,542	304,323	4,410,815	467,480		4,878,295
Supplies	604,110	386,479	593,356	246,465	334,988	366,120	572,140	206,308	206,914	787,450	338,697	595,796	5,238,822	168,335		5,407,157
Medical Specialist Fees	734,626	60,025	128,938	168,111	513	132,928	22,249	33,865	20,182	278,906	513,514	171,311	2,265,168	-		2,265,168
Purchased/Professional Services	704,122	114,457	260,425	216,755	253,862	168,289	348,547	217,264	149,144	527,966	525,395	195,695	3,681,921	1,913,456		5,595,377
Management Fees	470,505	254,802	122,500	105,000	145,269	156,286	212,738	203,882	154,646	415,004	234,582	267,024	2,742,238	-	(2,724,738)	17,500
Other Operating Expenses	455,445	176,000	235,923	200,436	255,848	630,416	415,341	214,070	225,637	880,936	387,549	397,218	4,474,817	759,004		5,233,821
Total Operating Expenses	6,580,180	2,469,612	3,633,059	2,204,520	3,063,051	3,674,792	4,258,215	2,169,710	2,450,075	7,057,747	4,885,175	3,925,984	46,372,119	5,383,903	(2,724,738)	49,031,284
E.B.I.T.D.A.	719,092	(26,444)	868,679	545,635	952,115	661,150	1,629,161	(776,848)	739,759	516,486	(420,226)	(1,057,891)	4,350,667	(2,330,610)	-	2,020,057
Depreciation and Amortization	(332,751)	(75,612)	(148,501)	(147,525)	(57,525)	(479,312)	(469,650)	(44,979)	(134,703)	(554,988)	(134,937)	(104,663)	(2,685,147)	(53,839)		(2,738,986)
Interest Expense	(123,954)	(84,331)	(13,258)	(33,409)	(41,761)	(390,181)	(263,570)	(39,546)	(87,495)	(158,387)	(25,011)	(18,138)	(1,279,041)	(681,397)		(1,960,438)
Interest Income	713	-	27,779	2,347	58	235	-	216	22	233	23	45	31,671	-		31,671
Net Income Before Taxes	263,100	(186,387)	734,699	367,048	852,886	(208,109)	895,941	(861,158)	517,583	(196,657)	(580,150)	(1,180,648)	418,150	(3,065,846)	-	(2,647,696)